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D. Eric McClure
Commissioner of Finance

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The attached report represents a consolidation of Reports of Condition filed by state-chartered banks with the Missouri Division of Finance as of June 30, 2008, and a comparison with the statements filed one year earlier.

Also included is a comparison of financial statements of state-chartered and national banks.

During the previous twelve months, the number of state-chartered banks and trust companies decreased by five from 302 to 297. Five banks and one nondeposit trust company merged into out-of-state institutions. One nondeposit trust charter was dissolved. There was one bank failure when Hume Bank was closed by the Commissioner on March 7, 2008. There were three new bank charters granted, two of which were issued when national banks converted to a state charter.

Assets in state-chartered banks totaled \$73.6 billion on June 30, 2008, an increase of 9.6 percent from one year earlier. Deposits were \$58.5 billion, up 8.0 percent. Total loans were \$54.1 billion on June 30, 2008, up 9.4 percent.

The equity capital ratio decreased to 10.45 percent. Primary capital, which includes the allowance for loan and lease losses, was also down, to 11.46 percent. The tangible equity capital ratio decreased to 8.94 percent. Despite these changes, capital remains strong in Missouri banks.

Net income in state banks was down 46.2 percent from June 2007. Return on assets among state-chartered banks was 0.53 percent compared to 1.07 percent in June 2007. The income decline is influenced by a small number of banks with ten banks accounting for a substantial portion of the earnings decline. The return on assets for the remaining 280 banks was 1.02 percent.

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COMPARATIVE STATEMENT OF CONDITION
STATE BANKS AND TRUST COMPANIES IN MISSOURI
AS OF JUNE 30, 2008

THOUSANDS OF DOLLARS	290 BANKS 6/30/2008	293 BANKS 6/30/2007	INCREASE DECREASE()	PERCENT CHANGE
ASSETS				
Total Loans	\$54,141,618	\$49,484,716	\$4,656,902	9.4%
Allowance for Loan Losses	843,614	656,063	187,551	28.6%
Total Assets	73,591,588	67,165,574	6,426,014	9.6%
LIABILITIES				
Total Deposits	58,453,978	54,099,471	4,354,507	8.0%
Total Equity Capital	7,688,953	7,258,355	430,598	5.9%

OPERATING RATIOS	6/30/2008	6/30/2007	CHANGE
Equity Capital/Assets	10.45%	10.81%	-0.36%
Tangible Equity Capital/Assets	8.94%	9.21%	-0.27%
Capital and Allowance for Loan Losses/Assets	11.46%	11.67%	-0.21%
Total Loans/Assets	73.57%	73.68%	-0.11%
Past Due and Nonaccrual Loans/Total Loans	2.91%	1.86%	1.05%
Allowance for Loan Losses/Loans	1.56%	1.33%	0.23%
Average Net Interest Margin	3.83%	4.00%	-0.17%
Return on Assets	0.53%	1.07%	-0.54%

NOTES:

2007 does not include nine nondeposit trust companies
 2008 does not include seven nondeposit trust companies

COMPARATIVE STATEMENT OF CONDITION
STATE AND NATIONAL BANKS IN MISSOURI
AS OF JUNE 30, 2008

MILLIONS OF DOLLARS	6/30/2008			6/30/2007	PERCENT CHANGE
	290 STATE BANKS	37 NATIONAL BANKS	327 ALL BANKS		
ASSETS					
Cash and Due from Banks	2,126	1,934	4,060	3,023	34.3%
Investment Securities	10,764	7,377	18,141	17,560	3.3%
Total Loans and Leases	54,142	23,899	78,041	72,510	7.6%
Less: Reserves	844	326	1,170	967	21.0%
Federal Funds Sold	2,372	1,238	3,610	2,604	38.6%
Fixed Assets	1,570	799	2,369	2,226	6.4%
Other Real Estate	377	52	429	184	133.2%
Intangible Assets	1,223	257	1,480	1,431	3.4%
Other assets	1,862	842	2,704	2,351	15.0%
TOTAL ASSETS	\$73,592	\$36,072	\$109,664	\$100,922	8.7%
LIABILITIES					
Total Deposits	58,454	27,051	85,505	80,197	6.6%
Deposits over 100M	10,945	3,502	14,447	12,961	11.5%
Brokered Deposits	4,954	227	5,181	2,873	80.3%
Federal Funds Purchased	2,711	3,419	6,130	6,242	-1.8%
Other liabilities	4,738	2,426	7,164	4,278	67.5%
Total Equity Capital	7,689	3,176	10,865	10,205	6.5%
TOTAL LIABILITIES	\$73,592	\$36,072	\$109,664	\$100,922	8.7%
EARNINGS					
Interest Income	2,111	944	3,055	3,244	-5.8%
Interest Expense	925	367	1,292	1,494	-13.5%
Net Interest Income	1,186	577	1,763	1,750	0.7%
Provision for Loan Losses	301	75	376	101	272.3%
Net Income	191	197	388	570	-31.9%
Cash Dividends	210	96	306	345	-11.3%
Net Loan Losses	193	44	237	70	238.6%